

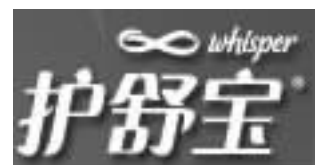
Lawsuit Updates

“HUSHUBAO” vs. “HUSHIBAO”:

P&G v. TRAB, a lawsuit involving administrative dispute arising from a trademark under opposition

(The Beijing No. 1 Intermediate people's Court, the first-instance court, made the Administrative Judgment No. Yizhongxingchuzi 1434/2008 on 9 March 2009)

The trademark “HUSHUBAO” (the Chinese translation of the P&G' mark “WHISPER”) of P&G, plaintiff in the present case, was registered in 1989 in China. The “护士宝 HUSHIBAO” mark in respect of which the Guangzhou City Baiyun District Yaman Cosmetics Plant (Yaman) applied for registration was adjudicated, to be registrable, by the Trademark Review and Adjudication Board (TRAB) in the procedure for the reexamination of the trademark under opposition. P&G, arguing that the mark “护士宝 HUSHIBAO”, similar to the series of “HUSHUBAO” trademarks, was likely to cause confusion, petitioned the court to reverse the adjudication



made by the TRAB.

The TRAB took the view that “护士宝 HUSHIBAO” was obviously different from the series of “HUSHUBAO” marks in pronunciation and meaning of the words made up of the marks, and the two marks, placed in isolation, could be distinguished one from the other by the relevant sector of the public who paid some attention thereto. Hence these marks did not constitute similar marks used in respect of similar goods.

The first-instance court, the Beijing No. 1 Intermediate People’s Court, found that, as the comparison of the marks showed, two of the three Chinese characters in each mark were identical, and the only distinct Chinese characters “士” (pronounced as “shi”) and “舒” (pronounced as “shu”) were similar in pronunciation. It was not easy for consumers to set them apart when pronouncing said marks and identifying their lexical shape, and it was easy for them to confuse the two. While the mark under opposition also contained a part of the Chinese phonetic alphabet (Pinyin), Chinese consumers had a habit to more readily read the Chinese characters when put side by side with their Chinese Pinyin, and the presence of Pinyin was not sufficient to enable consumers to distinguish one from the other. In the court hearing of the present case, TRAB accepted the fact that the “HUSHUBAO” marks had had certain repute, and the fact that “HUSHUBAO” had been reputable when the application was filed for the registration of the “护士宝 HUSHIBAO” mark should also be taken into account when determining the similarity of the marks. This court, accordingly, decided that the “护士宝 HUSHIBAO” mark was similar to the “HUSHUBAO” marks. Since the “护士宝 HUSHIBAO” mark was designated to be used in goods in class 0506, such as feminine napkin and toilet paper soaked in medical liquid, identical with or similar to the goods in respect of which the “HUSHUBAO” marks were approved to be used, they constituted similar marks used in identical or similar goods. It was decided in the first-instance judgment that the Reexamination Adjudication on Trademark under Opposition (No. Shangpingzi 06163/2008) was reversed, and TRAB was to make another adjudication.

Dissatisfied with the first-instance judgment, both TRAB and the third party Yaman appealed to the Beijing Higher People’s Court.

(By our correspondent, Yuan Wei)

Auto Refitter’s Use of “PORSCHE” Mark Adjudged Infringing Trademark Right

(The Beijing No. 2 Intermediate People’s Court, the first-instance Court, made the Civil Judgment No. Erzhongminchuzi 18683/2007; and the Beijing Higher People’s Court, the second-instance Court, made the Civil Judgment No. Gaominzhongzi 326/2008 on 19 December 2008)

From 1990, Porsche, plaintiff in the present case, had been granted the registration of the “PORSCHE” word and device mark, the “保时捷” (the Chinese word of translation for “PORSCHE”, pronounced as “bao shi jie”) word mark and the “shield device” mark used in respect of the goods and services of “automobile and auto parts, and auto repair”.



In October 2006, the Chinese Trademark Office established the “PORSCHE” and “保时捷” mark registered to be used in respect of “automobile and auto parts” as well-known marks in the trademark opposition proceedings.

The German Techart was a refitter of Porsche automobile, and the Beijing Techart Auto Dealer and Service Co., Ltd. (Beijing Techart) was licensed by the German Techart to refit automobile and market its products using the German Techart’s mark and brand in the region where it marketed its products.

In July 2006, Porsche found that the Beijing Techart had set up, in Beijing a 4S+T centre for refitting Porsche automobile, with its business operation covering the “PORSCHE” Cayenne automobile. It stated on its corporate brochure and website that as the general dealer in China of the German Techart, marketed and repaired the whole refit “PORSCHE” automobile of Techart, and provided costumerised refitting services. Meanwhile, Techart used the words “Delux Refit PORSCHE”, “PORSCHE”, “TECHART” and representations similar to the “shield device” mark in many places at its venue of business, and used the “PORSCHE” “shield device” and “TECHART” representations on refit automobiles. Besides, Techart used the Porsche’s “shield device” representations on the working clothing of its employees working at its branches around China.

Porsche alleged that Techarts’ these acts had infringed its exclusive right to use the registered marks of “保时捷”, “PORSCHE” and “shield device”, and petitioned the court to

order Techart to be legally liable for ceasing the infringement, eliminating ill effect, compensating its damages, and paying for its reasonable litigant expenses.

It was decided in the first-instance judgment that Techart was to cease the infringement, eliminate ill effect, and pay Porsche RMB 200,000 yuan in compensation of its damages.

Dissatisfied with the first-instance judgment, Techart appealed on the ground that Techart was engaged in provision of auto refitting services, quite different from the services in respect of which Porsche's registered marks were approved to be used. The determination made in the first-instance judgment that Beijing Techart's act of using the words of “保时捷”, “PORSCHE” and the “shield device” was likely to create confusion on the part of the relevant sector of the public was factually and legally baseless; that Techart's act of using the words of “保时捷”, “PORSCHE” and the “shield device” was fair use was not affirmed in the first-instance judgment, which was erroneous; Techart had not, at all, affected Porsche's business nor inflicted any damage thereto; and the first-instance judgment that Techart was to cease the infringement, eliminate ill effect, and pay Porsche RMB 200,000 yuan in compensation of its damages was factually and legally baseless.

Upon hearing the case, the second-instance court held:

1. The Beijing Techart's auto refitting service was a newly emerging service while the auto repair in which the registered mark was approved to be used was a traditional service provision industry. However, the two were related in a special way in terms of intended consumers and services. They were similar services. The “shield device” representations Techart used in its brochure, in the showroom of its centers, on its vehicles parked in and outside the centers, and on the relevant websites and the “PORSCHE” representation it used on exhibition stands were identical with Porsche's “shield device” registered mark and the “PORSCHE”, the main part of the “PORSCHE” word and device registered marks. It was right for the first-instance court to have held accordingly that Beijing Techart's use of the relevant representations infringed Porsche's exclusive right to use the two registered marks. The Beijing Techart's appellant claim that Techart was engaged in provision of auto refitting services, quite different from the services in respect of which Porsche's registered marks were approved to be used was not based on the facts, so was not supported by the court.

2. The Beijing Techart's act of prominent use of the

“PORSCHE” word representations in its auto refitting services was liable to mislead the public and impair Porsche's proprietary right in the well-known marks. It was right for the first-instance court to have held accordingly that Beijing Techart's use of the relevant representations infringed Porsche's exclusive right to use the two registered marks. The Beijing Techart appellant claim that its use of “Delux Refit PORSCHE” to describe its business of refitting PORSCHE automobile, and the two Chinese characters were commonly used in the auto refitting industry.

The second-instance judgment rejected the appeal, and upheld the first-instance judgment.

In another litigation, Porsche v. Beijing Techart, the first-instance court, Beijing No. 2 Intermediate People's Court, held that its Techart centre was substantially identical with the Beijing Porsche Centre in architecture, and its act constituted an infringement of the Porsche's copyright in the architecture of the Beijing Porsche Centre. The Beijing Techart, as owner and user of the building, should bear the corresponding legal liabilities. The Beijing Techart was ordered to rebuild its Techart centre, and the rebuilt building should not have its features identical with or similar to those of the Beijing Porsche Centre, and pay RMB 150,000 yuan in compensation of Porsche economic losses. After the Beijing Techart appealed, the second-instance court, the Beijing Higher People's Court ruled to have upheld the first-instance judgment.



Porsche's copyrighted architecture: the Porsche Centre

(Xiao Hai)

KOHLER vs. KELE

(The Shenyang City Intermediate People's Court, the first-instance court, made the Civil Judgment No. Shenminsizhichuzi 97/2007 on 7 January 2008)

The US Kohler filed, respectively in 1995 and 2002 applications with the Trademark Office for, and was granted, the Registration of “KOHLER” and “科勒” (the two Chinese char-

acters of translation for “KOHLER”, pronounced as “ke le”) marks to be used in respect of the products of hygiene and washingroom facilities, such as metal sink. Its products had certain reputation in the market in China.

The Foshan City Shunde District Ronggui Kele Kitchenware Co., Ltd. (Shunde Kele) was incorporated in 1994. Its former name was the Shunde City Ronggui Township Weihao Kitchen Facility Plant, which was changed into the present name on 1 November 2001. Shunde Kele filed, respectively in 2001 and 2003 applications with the Trademark Office for, and was granted the registration of the “KELE” word and device mark and “科乐” (pronounced as “Ke le”) word and device mark to be used in respect of goods, such as electrical appliances and containers for kitchen use and tableware. Besides, it was licensed another “科乐” word and device mark. The goods in respect of which these marks were used excluded the product of “metal sink”.

Shunde Kele used “科乐 sink”, “KeLe Sink” and “科乐 kitchenware” representations on its promotion publicity and on its relevant products.

Kohler discovered that Zhao Guixiang sold stainless steel sinks and water taps bearing the “KELE” representation in the Shenyang Furniture Market, and brought action on the ground that Shunde Kele and Zhao Guixiang had infringed its exclusive right to use its marks and committed unfair competition, petitioning the court to hold them legally liable for ceasing the infringement and for the damages therefor.

Upon hearing the case, the court decided that the goods in respect of which Shunde Kele used the “科乐”, “Kele”, “KELE” word and device marks were identical with the goods in respect of which Kohler used the “KOHLER” and “科勒” marks, and the marks Shunde Kele used in the identical goods were similar to the “KOHLER” and “科勒” marks since “KOHLER” had certain distinctiveness and repute, and Shunde Kele’s use of “KELE” mark was likely to lead to the relevant sector of the public to wrongly believe that it was commercially related to Kohler, and confuse the two marks; the “Kele” and “KELE” were the Pinyin for the “科乐” mark. Shunde Kele always used “Kele” and “KELE” together with the Chinese mark “科乐”, and consumers would

科勒
KOHLER

Kohler’s trademarks



科乐

KELE

Shunde Kele’s
trademarks

pronounced them “kele” as they would pronounced the Plaintiff’s marks of the same pronunciation, which was likely to create confusion by them.

In hearing the case, the court refused Kohler’s request to establish its marks as well-known marks because of insufficient evidence from Kohler to this end. Meanwhile, the company’s marks were registered in respect of some goods in class 6, such as metal sink, which were of the same class as those in which Shunde Kele used its infringing representations. The case did not involve the issue of cross-class protection; hence whether the mark was well known or not was not taken into consideration.

Regarding the ground on which Kohler claimed against unfair competition, the court held that “KOHLER” was not only Kohler’s corporate mark, but also its enterprise name. It was a mark and referred to an enterprise that had certain repute in the market and known to the relevant sector of the public. Shunde Kele carried out its publicity in the name of “Kele Kitchenware Co., Ltd.”, with a view to highlighting the two Chinese characters “kele”, which, sufficient to mislead them about the source of its products, constituted an act of unfair competition.

The court decided that Shunde Kele had changed its former corporate trade name from “WEIHAO” into “KELE” with an intention to take advantage of the name, and ruled that Shunde Kele was to cease using the word and marks of “科乐”, “KELE” and “KeLe” on its goods of stainless steel sink, pay RMB 300,000 yuan to Kohler in compensation for its damages, and immediately cease using “KeLe” trade name in its enterprise name.

Zhao Guixiang was adjudged to immediately cease selling the infringing goods bearing the “科乐”, “KELE” and “Kele” representations.

(Xiao Hai)